

Inpatient and outpatient services: assessing payment adequacy and updating payments

ISSUE: Are payments adequate for the hospital inpatient and outpatient prospective payment systems through fiscal year 2005? What is the appropriate payment update for these services in 2006?

KEY POINTS: This tab contains a draft of the hospital chapter of the March report. We have reviewed the key indicators of payment adequacy for hospitals, which include:

- beneficiaries' access to care,
- the volume of both inpatient and outpatient services,
- quality of care,
- access to capital, and
- the relationship of payments to costs, including the appropriateness of cost growth, through 2005.

Taken together, these indicators support the conclusion that payments remain adequate. We will present draft recommendations for inpatient and outpatient payments at the meeting.

ACTION: Based on the material in the draft chapter and the staff presentation, the Commission should finalize recommendations for inpatient and outpatient payments. Commissioners also have an opportunity to review and comment on the chapter draft.

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